GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTR
LOK SABHA

UNSTARRED QUESTION NO:3729
ANSWERED ON:16.08.2000
PROBLEMS FACED BY KVIC
NARESH KUMAR PUGLIA

Will the Minister of SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTR be pleased to state:

(a) whether the Khadi Mission, as apex body of Khadi institutions in India, has submitted memorandum to the Prime Minister detailing problems faced by the Khadi and Village Industries Sector;

(b) if so, the details thereof; and

(c) the remedial action taken/proposed by the Government thereto?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF SMALL SCALE INDUSTRIES AND AGF RURAL INDUSTRIES (SMT. VASUNDHARA RAJE)

(a): Yes, Sir.

(b) & (c): The Khadi Mission has, inter alia, given suggestions with respect to the rebate policy, financial assistance, reconstitution of Khadi and Village Industries Commission (KVIC) etc.

The Khadi rebate policy has already been declared on 1.6.2000. Regarding payment of rebate claims, adequate funds have already been provided to the KVIC against rebate claims.The financial assistance by the banks is provided to the institutions on the basis of the interest Subsidy Eligibility Certificate (ISEC) issued by the KVIC which in turn is based on the performance of the institutions. As regards, the reconstitution of the Commission, the Government has noted the suggestions. the loaning banks. The Khadi and Village Industries Boards (KVIB) and the Khadi and Village Industries Commission (KVIC) also review performance at the macro level. The Government reviews the performance of programmes as such and not that of individual projects.

(b): Does not arise.

(c): The details of disbursement made by the KVIC in Maharashtra State and the performance in terms of production and employment for the last 3 years are given in the Annexure.

(d): As on 31.3.2000, 806 village industries projects had been financed in Maharashtra under the Margin Money Scheme by the Public Sector Banks. Sector-wise, project-wise details are not maintained centrally. During the current financial year i.e. 2000-2001 the KVIC has allocated Rs. 2.50 crores to the Maharashtra State KVIB as Margin Money advance under the Rural Employment Generatior Programme. This is in addition to the bank loans sanctioned by 27 scheduled Commercial Banks through their branches.